

## **Chapter 124.**

### **Internal Improvements.**

#### **Article 1.**

##### **General Provisions.**

#### **§ 124-1. Control of internal improvements.**

The Governor and Council of State shall have charge of all the State's interest in all railroads, canals and other works of internal improvements. The Board of Directors of a State-owned railroad company shall be responsible for managing its affairs and for reporting as set forth in G.S. 124-17. (1925, c. 157, s. 1; 2000-146, s. 2; 2013-360, s. 34.14(a).)

#### **§ 124-2. State deemed shareholder in corporation accepting appropriation.**

When an appropriation is made by the State to any work of internal improvement conducted by a corporation, the State shall be considered, if so directed in the act making the appropriation, a stockholder in such corporation, and shall have as many shares as may correspond with the amount of money appropriated; and the acceptance of such money shall be deemed to be a consent of the corporation to the terms herein expressed. (1925, c. 157, s. 2; 1985, c. 792, s. 13.21.)

#### **§ 124-3. Report of railroad, canal, etc.; contents.**

(a) The president or other chief officer of every railroad, canal, or other public work of internal improvement in which the State owns an interest, shall, report annually to the Joint Legislative Commission on Governmental Operations. This report shall include:

- (1) Number of shares owned by the State.
- (2) Number of shares owned otherwise.
- (3) Par value of the shares.
- (4) Repealed by Session Laws 2000-146, s. 3, effective July 1, 2000.
- (5) Amount of bonded debt, and for what purpose contracted.
- (6) Amount of other debt, and how incurred.
- (7) If interest on bonded debt has been punctually paid as agreed; if not, how much in arrears.
- (8) Amount of gross receipts for past year, and from what sources derived.
- (9) An itemized account of expenditures for past year.
- (10) A summary of all leases, sales, or acquisitions of real property to which the company has been a party since the last report.
- (11) Suits at law pending against his company concerning its bonded debt, or in which title to all or any part of such road or canal is concerned.
- (12) Any sales of stock owned by the State, by whose order made, and disposition of the proceeds.
- (13) Annual financial statements, including notes, audited by an independent certified public accounting firm.

(b) Recodified as G.S. 124-17(b) by Session Laws 2013-360, s. 34.14(d), effective July 1, 2013.

(c) Recodified as G.S. 124-17(c) by Session Laws 2013-360, s. 34.14(d), effective July 1, 2013. (1925, c. 157, s. 3; 1993, c. 539, s. 928; 1994, Ex. Sess., c. 24, s. 14(c); 2000-67, s. 7.2(b); 2000-146, s. 3; 2013-360, s. 34.14(d).)

**§ 124-4: Repealed by Session Laws 2000-146, s. 4.**

**§ 124-5. Approval of encumbrance on State's interest in corporations.**

(a) No corporation or company in which the State owns the majority of any class of voting stock shall sell, lease, mortgage, or otherwise encumber its franchise, right-of-way, or other property, except by and with the approval and consent of the Governor and Council of State.

(b) Recodified as G.S. 124-15(b) by Session Laws 2013-360, s. 34.14(b), effective July 1, 2013. (1925, c. 157, s. 5; 1981 (Reg. Sess., 1982), c. 1372, s. 5; 1983, c. 905, ss. 10, 11; 1985, c. 792, ss. 13.25, 13.26; 2000-146, s. 5; 2013-360, s. 34.14(b).)

**§ 124-5.1. North Carolina Railroad Company dividends deposited to Highway Fund.**

Any dividends of the North Carolina Railroad Company received by the State shall be deposited into the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund and administered by the Rail Division of the Department of Transportation. The Fund shall be used for the enhancement of freight rail service, short-line railroad assistance, and railroad-roadway crossing safety, which may include the following project types:

- (1) Track and associated infrastructure improvements for freight service.
- (2) Grade crossing protection, elimination, and hazard removal.
- (3) Signalization improvements.
- (4) Assistance for projects to improve rail access to industrial, port, and military facilities and for freight intermodal facility improvements, provided that funding assistance under this subdivision shall be subject to the same limits as that for short-line railroads under G.S. 136-44.39.
- (5) Corridor protection and reactivation.
- (6) Subject to federal or other state law, improvements to rail lines and corridors in this State and through portions of a bordering state for the purpose of connecting with the national railroad system.
- (7) Other short-line railroad projects.

The Fund may also be used to supplement funds allocated for freight rail or railroad-roadway crossing safety projects approved as part of the Transportation Improvement Program. (2000-67, s. 7.2(a); 2005-276, s. 28.7; 2013-360, s. 34.14(g); 2015-241, s. 29.23; 2016-94, s. 35.21(a).)

**§ 124-6. Appointment of proxies, director of railroad companies, etc.**

(a) The Governor shall appoint on behalf of the State all such officers or agents as, by any act, incorporating a company for the purpose of internal improvement, are allowed to represent the stock or other interests which the State may have in such company; and such person or persons shall cast the vote to which the State may be entitled in all the meetings of the stockholders of such company under the direction of said Governor; and the said Governor may, if in his opinion the public interest so requires, remove or suspend such persons, officers, agents, proxies, or directors in his discretion.

(b) Recodified as G.S. 124-15(a) by Session Laws 2013-360, s. 34.14(b), effective July 1, 2013. (1925, c. 157, s. 6; 1997-443, s. 32.30(k); 1999-431, s. 3.3(a); 2013-360, s. 34.14(b).)

**§ 124-7. Power of investigation of corporations.**

The Governor and Council of State shall have the power to investigate the affairs of any corporation or association described in G.S. 124-3 and may require the Attorney General or the Utilities Commission to assist in making such investigation under the rules and regulations prescribed in Chapter 62. (1925, c. 157, s. 7; 1933, c. 134, s. 8; 1941, c. 97, s. 1.)

**§ 124-8. Reserved for future codification purposes.**

**§ 124-9. Reserved for future codification purposes.**

**§ 124-10. Reserved for future codification purposes.**